

Mechanical Amusement Device (MAD) Tax

An occupation tax is imposed on operators and distributors of mechanical amusement devices, such as coin-operated video games. All proceeds are credited to the General Fund.

The occupation tax is \$35 per device placed in operation prior to July 1 of each year and \$20 per machine placed in operation after July 1 of each year.

Table 9: MAD Tax Receipts

Month	2005	2004	2003	2002
January	\$52,780	\$43,184	\$40,110	\$45,565
February	\$6,385	\$17,915	\$136,595	\$8,965
March	\$6,550	\$6,715	\$4,215	\$4,235
April	\$4,724	\$5,225	-\$123,770	\$5,775
May	\$5,306	\$5,575	\$6,240	\$5,270
June	\$5,700	\$5,494	\$1,995	\$4,185
July	\$7,135	\$5,134	\$5,000	\$4,240
August	\$2,510	\$3,360	\$2,580	\$2,980
September	\$3,255	\$3,585	\$3,570	\$1,635
October	\$940	\$515	\$1,615	\$1,305
November	\$201,069	\$120,724	\$112,310	\$69,090
December	\$192,125	\$270,655	\$286,920	\$347,324
Total	\$488,479	\$488,081	\$477,380	\$500,569

Severance Tax

Severance tax is levied upon the value of oil and gas severed or removed from the land. Oil and gas taken from stripper and nonstripper wells are subject to the tax. The tax is paid by every person severing oil or natural gas from land in Nebraska unless the severed oil or natural gas is sold in Nebraska. If the oil or gas is sold in Nebraska, then the first purchaser in Nebraska pays the tax.

The severance tax rate is 3% of the value of the nonstripper oil, 3% of the value of the natural gas, and 2% of the value of stripper oil.

Tax on oil or gas severed from public school lands is credited to the Permanent School Fund. For oil or gas severed from all other lands, 1% of the gross tax receipts is credited to the Severance Tax Administration Fund, up to \$300,000 may be appropriated by the legislature to the State Energy Office Cash Fund, up to \$30,000 may be appropriated to the Governor's Policy Research Office, and the remainder is credited to the Permanent School Fund.

Table 10: Severance Tax Receipts

Month	2005	2004	2003	2002
January	\$178,349	\$123,825	\$125,624	\$48,596
February	\$187,142	\$128,174	\$106,863	\$59,751
March	\$212,608	\$194,636	\$212,510	\$100,233
April	\$218,783	\$53,506	\$134,551	\$205,128
May	\$293,849	\$254,266	\$121,615	\$44,045
June	\$158,467	\$149,373	\$259,497	\$175,421
July	\$220,202	\$173,849	\$165,400	\$114,559
August	\$228,831	\$259,460	\$109,829	\$153,402
September	\$371,686	\$119,873	\$158,036	\$124,900
October	\$333,214	\$308,815	\$175,274	\$189,578
November	\$189,640	\$204,194	\$60,335	\$23,301
December	\$333,652	\$221,083	\$214,999	\$215,803
Total	\$2,926,422	\$2,191,055	\$1,844,533	\$1,454,717